

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: AG-RR-64 (Common)

Please provide Unitil Service Corporation's administrative transfer expense for the calendar year 2000.

Response:

Unitil Service Corporation's administrative transfer expense (ATE) for the calendar year 2000 was a credit of \$67,320 which represented an undercollection of that year's incurred costs to be recovered from all the USC affiliated companies in January 2001. This amount can be compared to the debit of \$363,406 for calendar year 2001 (as shown on Exhibit MHC-5 (Gas and Electric) page 3 of 52), which represented an overcollection of 2001 expenses to be credited to the affiliated companies in January 2002.

The effect of these two ATE's resulted in total Unitil Service Corp. billings to affiliated companies during fiscal 2001 to be \$430,726 higher than actual expenses incurred during the year. FG&E's portion of this amount is \$172,161, of which \$31,471 was charged to capital/deferred accounts on its accounting records. Of the remaining O&M expense amount of \$140,690, \$49,368 was allocated to the Gas Division and \$91,322 was allocated to the to the Electric Division, based on the Gas/Electric split allocation factors.

Upon review of Unitil Service Corp.'s accounting of ATE during the test year in preparation of this data response, the Company has determined that it would be appropriate to reduce its Cost of Service to normalize test year 2001 charges from Unitil Service Corp. by removing the ATE expense amounts as referenced above. These adjustments will be included on Schedules MHC 7-12 (Gas) and MHC 7-11(Electric) in the next update to DTE-RR-6 (Gas) and DTE-RR-6 (Electric).

Person Responsible: Mark H. Collin